GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:763
ANSWERED ON:24.02.2006
SALE OF SHARES OF MUL
Das Gupta Shri Gurudas;Rao Shri Sambasiva Rayapati;Reddy Shri Suravaram Sudhakar

Will the Minister of FINANCE be pleased to state:

(a) Percentage of holdings of the Central Government in Maruti Udyog Limited (MUL) and that disinvested till date;

(b) Amount in rupees raised therefrom;

(c) Whether expression of interest has been invited from the public sector banks / financial institution to sell the entire share of MUL; and

(d) If so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a) Till December 1982, the Government held 100% equity in MUL. Thereafter, by issue of fresh shares to Suzuki Motor Corporation, renunciation of rights shares by Government, public issue of shares and sale to public sector financial institutions/banks, the Government`s equity shareholding has come down to 10.28%.

(b)The Government raised a sum of Rs.3560.94 crore through disinvestment from time to time in MUL.

(c) & (d)No, Sir. On 2nd September 2005, Government approved the proposal for sale of 8% equity, out of Government`s shareholding of 18.28% in MUL, to public sector financial institutions/banks through competitive bidding, with the market price as the benchmark. Expressions of interest were accordingly invited in December 2005. The transaction was completed in January 2006. The Government realized a sum of Rs.1567.60 crore from this sale.